

VZCZCXRO3744
RR RUEHAG RUEHAST RUEHDA RUEHDBU RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA
RUEHLN RUEHLZ RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHSK #0425 1431001
ZNR UUUUU ZZH
R 231001Z MAY 07
FM AMEMBASSY MINSK
TO RUEHC/SECSTATE WASHDC 6049
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHDE/AMCONSUL DUBAI 0053
RUEHVEN/USMISSION USOSCE 1569
RUEHBS/USMISSION USEU 0221
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK

UNCLAS MINSK 000425

SIPDIS

SIPDIS
SENSITIVE

E.O. 12958: N/A
TAGS: [PREL](#) [PINR](#) [ECON](#) [EPET](#) [BO](#) [IR](#)
SUBJECT: AHMADINEJAD IN MINSK: PARIAS SEEK ECONOMIC TIES

REF: MINSK 416

Summary

1. (SBU) During President Ahmadinejad's May 21-22 visit to Minsk, Belarus and Iran signed a wide range of economic agreements. The deal with the most potential significance grants Belarus access to the Jofeir oilfield. Any arms sales were not made public. Only significant military exports from Belarus to Iran would expand trade to the high level -- USD 500 million annually -- proposed by Lukashenko. End summary.

Economic Deals: Show Me the Money

2. (SBU) An agreement for Belarus' national oil company to drill in the Jofeir oilfield represents the one potentially significant economic deliverable made public during President Ahmadinejad's May 21-22 visit to Minsk. However, although Lukashenko said oil production could begin "today," no terms were given. Other economic agreements included expansion of Iranian automobile production in Belarus (reftel), increasing agricultural imports from Iran, reciprocal recognition of safety and standards certification, bilateral export guarantees, and a joint program to train banking sector personnel. The Iranian Ambassador claimed an agreement on energy cooperation would be signed in the coming months. Lukashenko said trade between the two countries should expand to USD 500 million this year (from USD 36 million in 2006).

Military Trade: Not Exposed to Light of Day

3. (SBU) No negotiations to purchase military or dual use equipment were made public. At the May 22 opening of Milex, the premium military sales exposition in Belarus, an announcer said an Iranian minister was in attendance. In an arrangement that could provide training for those in Iran's military industrial complex, an accord between the Belarusian Ministry of Education and the Iranian Ministry of Science, Research and Technology would reportedly expand several times over the number of Iranian students in Belarus from the present day figure of 288. Most of the students are reportedly studying mechanical engineering.

State Television Glosses Over Iran's Isolation

4. (SBU) State news media gave extensive coverage of the visit. Ahmadinejad was portrayed as a man of peace, particularly when he was shown commemorating victims of World War II. Belarusian Television claimed that Iran "despite UN

sanctions" engaged in substantial trade with the West, even suggesting the United States was Iran's 12th leading trade partner.

Comment: Belarus Has to Take What It Can Get

15. (SBU) Lukashenko said at the press conference summarizing the results of the visit that Belarus seeks to diversify exports. Given Belarus' poor relations with its neighbors and products of questionable quality, Iran and other countries with problematic relations with the West will continue to remain prime targets of opportunity for the Lukashenko regime. The suggestion that trade will reach USD 500 million annually is the same statement Lukashenko trots out during high-level meetings with any foreign country. Although the export of dual-use technologies to Iran will likely increase, we will believe trade between Tehran and Minsk will hit half a billion dollars when we see it.
Stewart